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29 February 1968

MEMORANDUM FOR: Mr. Duckett

SUBJECT : Contract Review Board Meeting, 29 February

25X1A 1. Two items from this morning's Contract Review Board may be of particular interest to you. The contract being considered was one for DDP with [ ] to provide support for the continued development of [ ]

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25X1A 2. At a prior meeting I raised some questions pertaining to the particulars on the [ ] percent allowance in the overhead for an independent research and development program. It turns out that [ ] has granted royalty-free license to any patents or practices which may result from this program, and I sense a consensus of the members of the Contract Review Board that the Agency should press for this in all cases. I think the [ ] deliberations which we had earlier were helpful in defining the pros and cons involved here.

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3. The Board recommended further that the Contracting Officer/Project Officer examine the independent R&D program to determine its applicability to Agency needs. If not applicable, we recommend that this charge against the contract be disallowed.

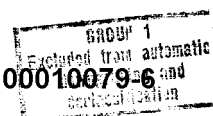
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25X1A 4. It becomes abundantly clear that in dealing with [ ], for example, that [ ] total program with the Agency should be considered in arriving at a judgment as to whether their IRD program makes sense to us, and whether we should participate at all or in part. I suspect this may develop into an important function of R&D coordination.

5. The second item which may be of particular interest is that COMMO/Logistics have notified a contractor, [ ] who was to produce some gear for them under an R&D contract, that the contractor is in default, and not only will they pay no more but in fact demand immediate restitution to the Agency of the [ ] which has been paid thus far on the contract, and that interest will be charged on this money pending return to the Agency. In this case the contractor just couldn't make the gear work in accordance with the contractual

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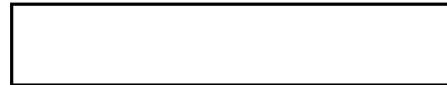
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requirements. This suggests a situation in which a lack of coordination internally could be extremely embarrassing. For example, if some non-COMMO office were in the process of soliciting an RFP or entering into a contract with this company without knowledge of this action.

6. I am happy to see the Contract Review Board getting closer to some really worthwhile problems.

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